

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION )  
OF DELMARVA POWER & LIGHT COMPANY, )  
D/B/A CONECTIV POWER DELIVERY, FOR ) PSC DOCKET NO. 04-301F  
APPROVAL OF MODIFICATIONS TO ITS GAS )  
COST RATES (OPENED AUGUST 31, 2004) )

ORDER NO. 6492

**AND NOW**, to-wit, this 19th day of October, A.D., 2004, Delmarva Power & Light Company, d/b/a Conectiv Power Delivery ("Delmarva" or "the Company"), having, on October 1, 2004, filed the above-captioned application with the Commission seeking approval: (1) to modify its Gas Cost Rates ("GCR"); (2) to make related calculations to "true-up" costs and credits associated with sales to services provided to customers under the Flexibly Priced Sales service, the Large Volume Gas service; and for "electing" customers under the Medium Volume Gas Service; and (3) to retain the surcharge that has been applied to non-firm services to collect a portion of interstate pipeline charges related to Federal Energy Regulatory Commission Orders Nos. 94, 436, 500 & 636;<sup>1</sup>

**AND**, the Commission having determined, pursuant to *26 Del. C. §§ 303 and 304*, that the proposed GCR and other requested modifications to its tariff should be permitted to become effective for usage on and after November 1, 2004, with proration, and subject to pending evidentiary hearings and further review by the Commission; now, therefore,

<sup>1</sup>By PSC Order No. 6459 (Aug. 31, 2004), the Commission deferred the date for filing the annual GCR application to October 1, 2004.

**IT IS ORDERED:**

1. That, pursuant to 26 Del. C. §§ 303 and 304, the modifications proposed by Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, in its application of October 1, 2004, related to changes in its Gas Cost Rates and other tariff provisions, shall be allowed to become effective on a temporary basis as of November 1, 2004, with proration, subject to refund and pending evidentiary hearings to be held at a later date, and a final decision of the Commission.

2. That William F. O'Brien is designated as Hearing Examiner for this docket pursuant to the terms and provisions of 26 Del. C. § 502 and 29 Del. C. ch. 101. Hearing Examiner O'Brien shall schedule and conduct, upon due public notice, such public evidentiary hearings as may be necessary to develop a full and complete record concerning this application. Thereafter, Hearing Examiner O'Brien shall report to the Commission his proposed findings and recommendations based on the evidence presented. In addition, pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, Hearing Examiner O'Brien is specifically authorized to grant or deny petitions for intervention. In addition, Hearing Examiner O'Brien is specifically delegated the authority to determine, under 26 Del. C. § 102A, the form and manner of any public notice to be given for such further evidentiary hearings. James McC. Geddes, Esquire, is designated Rate Counsel for this matter.

3. Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. § 114(b)(1).

4. That Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, shall give public notice of the filing of this Application and

of the Commission action thereon by publishing notice in the form attached hereto as Exhibit "A" in the legal classified section of The News Journal newspaper in two column format outlined in black on the following dates:

Monday, October 25, 2004

Tuesday, October 26, 2004

Proof of such publication to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearings concerning this matter.

5. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joshua M. Twilley  
Vice Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

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Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

**E X H I B I T "A"**

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P U B L I C      N O T I C E

TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT  
COMPANY, D/B/A CONECTIV POWER DELIVERY, AND OTHER  
INTERESTED PERSONS

Pursuant to 26 Del. C. §§ 303 and 304, Delmarva Power & Light Company, d/b/a Conectiv Power Delivery ("Delmarva" or the "Company"), has filed an application with the Delaware Public Service Commission (the "Commission") seeking to change the Company's Gas Cost Rates ("GCR") in the following manner:

	<u>Present</u>		<u>Proposed</u>	
<u>Rate Schedules</u>	GCR Demand Charge	GCR Commodity Charge	GCR Demand Charge	GCR Commodity Charge
RG, GG and GL	N/A	69.092¢/ccf	N/A	80.696¢/ccf
Non-electing MVG	\$7.52/Mcf of Billing MDQ	6.0103/Mcf	\$8.44/Mcf of Billing MDQ	\$6.9909/Mcf
Electing MVG & LVG	\$7.52/Mcf of Billing MDQ	Varies	\$8.44/Mcf of Billing MDQ	Varies
Standby Service	\$7.52/Mcf of Standby MDQ	N/A	\$8.44/Mcf of Standby MDQ	N/A

In addition, the application requests approval of the Company's proposals to: (1) reconcile and "true-up" actual versus estimated Weighted Average Commodity Cost of Gas ("WACCOG") assignments for sales under the Flexibly

Priced Sales service to restate fuel cost and shared margin revenue credits; (2) reconcile and "true-up" actual versus estimated WACCOG assignments for sales under the Large Volume Gas service and for so-called "electing" customers taking service under the Medium Volume Gas Service; and (3) retain the surcharge that has been applied to non-firm services to collect a portion of interstate pipeline charges related to the Federal Energy Regulatory Commission Orders Nos. 94, 436, 500, and 636.

At its meeting on October 19, 2004, the Commission permitted the proposed Gas Cost Rates and other rate related modifications to become effective as of November 1, 2004, subject to refund pending evidentiary hearings and a final Commission decision.

Any person or group who wishes to participate formally as a party in this docket (PSC Docket No. 04-301F), with the right to submit evidence and to be represented by counsel, must, in accordance with Rule 21 of the Commission's Rules of Practice and Procedure, petition the Commission for and be granted leave to intervene in the proceedings in this docket. To be timely, all such petitions must be filed with the Delaware Public Service Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 on or before November 15, 2004. Petitions received thereafter will not be considered except for good cause shown.

Copies of the application and the testimony and schedules Delmarva has filed in this docket are available for public inspection during normal business hours at the Commission's Dover office at the address set out above. Persons may also review copies of the application and supporting documents by contacting the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street,

Wilmington, Delaware at (302) 577-5077. Please call for an appointment for a time to review such documents.

Individuals with disabilities who wish to participate in these proceedings or to review the tariff filings may contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephone (including TRS or text-telephone), or otherwise. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 739-4333 and that number should also be used for Text Telephone calls. Inquiries can also be sent to the Commission by Internet e-mail to "funmi.jegade@state.de.us."